

CHAPTER NO. 177

SENATE BILL NO. 1028

By Crutchfield

Substituted for: House Bill No. 1817

By Tidwell, Phelan, Ferguson, McDaniel

AN ACT To amend Tennessee Code Annotated, Section 56-25-1304, relative to fraternal benefit societies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-25-1304, is amended by deleting subsection (b) and substituting instead the following:

(b) No fraternal benefit society or subordinate body thereof shall merge or consolidate with any company or association not licensed to transact business as a fraternal benefit society.

SECTION 2. Tennessee Code Annotated, Section 56-25-1304, is further amended by deleting subsection (c) and substituting instead the following:

(c) Each fraternal benefit society subject to this chapter shall comply with the provisions of Tennessee Code Annotated, §§56-2-207 through 56-2-209 governing reinsurance contracts. In addition, no reinsurance contract of a fraternal benefit society shall cede or assume risks resident of this state if the principal purpose of such reinsurance contract, as determined by the commissioner, is to avoid the tax due under Tennessee Code Annotated, §56-4-205.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

PASSED: May 3, 1999

APPROVED this day of 1999

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had Senate Bill No. 1028 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.